

**OFFICE OF
STATE AID ROAD CONSTRUCTION**

MISSISSIPPI DEPARTMENT OF TRANSPORTATION
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January 7, 2004

MEMORANDUM

TO: All Interested Parties

FROM: J. Brooks Miller, Sr., P. E., State Aid Engineer

RE: Funding Formulas, Percentages and Sources for State Aid Administered Projects

The following pages detail the funding formulas, percentages and sources for State Aid administered projects.

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STATE AID FUNDS: Funding Formulas, Percentages and Sources

Source:

State Aid Funds are derived from the following sources and under the following statutory provisions:

Section 27-65-75, Mississippi Code of 1972, as amended by House Bill No. 458, 1999 Regular Session, provides for a diversion from the proceeds of gasoline, diesel fuel or kerosene taxes of \$4,000,000.00 per month (\$48,000,000.00 annually) or an amount equal to 23.25% of such funds, whichever is the greater amount into the State Aid Road Construction Special Fund. An additional \$3,000,000.00 per year is diverted into the Fund from sales tax revenue.

Allocations:

The formula for allocating funds to the counties was revised under House bill 1302, including a hold harmless provision assuring that no County will be allocated an amount less than it received during the 1994 fiscal year.

Revenues derived from the above named sources are received monthly and are allocated to the Counties on the following basis:

An amount equal to \$51,000,000.00 annually, less administrative expenses, is allocated to the Counties on the basis of percentages determined from the formula set out in House Bill 1302.

House Bill 1302 provides that there shall be first deducted and paid the amount necessary to pay the expenses of the Office of State Aid Road Construction as authorized by the Legislature. The remainder of the fund shall be allocated monthly to the several Counties in accordance with the following formula:

One-third (**a**) shall be allocated to all Counties in equal shares;

One-third (**a**) shall be allocated to Counties based on the proportion that the total number of rural road miles in a County bears to the total number of rural roads miles in all Counties of the State; and

STATE AID FUNDS: Funding Formulas, Percentages and Sources

One-third (a) shall be allocated to Counties based on the proportion that the rural population of the County bears to the total rural population in all Counties of the State, according to the latest federal decennial census.

The amount allocated to each County is adjusted to assure that no County receives less than the amount received in FY 1994 as required by HB 1302. Any funds in excess of \$51,000,000.00 is distributed to Counties that gave up funds to satisfy the “hold harmless” provision of HB 1302.

County	Percentage	County	Percentage
Adams	1.04%	Leflore	1.23%
Alcorn	1.24%	Lincoln	1.59%
Amite	1.17%	Lowndes	1.58%
Attala	1.22%	Madison	1.50%
Benton	0.82%	Marion	1.31%
Bolivar	1.37%	Marshall	1.48%
Calhoun	0.97%	Monroe	1.50%
Carroll	1.03%	Montgomery	0.80%
Chickasaw	1.01%	Neshoba	1.35%
Choctaw	0.93%	Newton	1.18%
Claiborne	0.88%	Noxubee	0.96%
Clarke	1.14%	Oktibbeha	1.26%
Clay	0.92%	Panola	1.52%
Coahoma	0.96%	Pearl River	1.86%
Copiah	1.28%	Perry	0.99%
Covington	1.19%	Pike	1.40%
DeSoto	1.70%	Pontotoc	1.24%
Forrest	1.37%	Prentiss	1.13%
Franklin	0.91%	Quitman	0.89%
George	1.15%	Rankin	2.61%
Greene	1.03%	Scott	1.28%
Grenada	0.87%	Sharkey	0.68%
Hancock	1.16%	Simpson	1.40%
Harrison	1.80%	Smith	1.16%
Hinds	1.76%	Stone	0.93%
Holmes	1.18%	Sunflower	1.25%
Humphreys	0.88%	Tallahatchie	1.07%
Issaquena	0.56%	Tate	1.14%
Itawamba	1.29%	Tippah	1.13%
Jackson	1.67%	Tishomingo	1.11%
Jasper	1.19%	Tunica	0.90%
Jefferson	0.84%	Union	1.17%
Jefferson Davis	1.11%	Walthall	1.17%
Jones	2.16%	Warren	1.32%

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County	Percentage	County	Percentage
Kemper	1.06%	Washington	1.22%
Lafayette	1.47%	Wayne	1.31%
Lamar	1.49%	Webster	0.88%
Lauderdale	1.75%	Wilkinson	0.85%
Lawrence	1.00%	Winston	1.16%
Leake	1.16%	Yalobusha	0.92%
Lee	1.58%	Yazoo	1.26%

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LOCAL SYSTEM BRIDGE PROGRAM FUNDS:
Funding Formulas and Sources

Source:

Local System Bridge Program Funds are derived from the following source and under the following statutory provisions:

Senate Bill 2211, enacted by the Regular Session of the 1999 Legislature extends the Local System Bridge Replacement and Rehabilitation Program through Calendar Year 2007. The bill provides for an appropriation of \$10,000,000.00 for fiscal year 2000 and, subject to an annual growth of 2% in Annual Fund revenues an appropriation of \$20,000,000.00 for fiscal years 2001 through 2008.

House Bill 1449, enacted by the Regular Session of the 2000 Legislature, deleted funding for Calendar Year 2000 but extended the program through Calendar Year 2008.

In fiscal year 2003, the legislature provided for the bonding of \$20,000,000 to obtain LSBP funds.

Allocations:

Funds are allocated to each County on the basis of a percentage derived as follows:

One-half (1/2) on the proportion that the total number of deficient bridges in the County bears to the total number of deficient bridges in all Counties of the State.

One-half (1/2) on the proportion that the total number of local system miles in the County bears to the total number of local system road miles in all Counties of the State.

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LOCAL SYSTEM BRIDGE PROGRAM FUNDS:

Funding Formulas and Sources

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Advanced Credits:

House Bill 1449 further provides that Counties may be entitled to funds in advance of normal accrual to finance certain projects subject to the approval of the State Aid Engineer and subject further to the following limitations:

The maximum amount advanced to any County shall not exceed ninety-percent (90%) of the funds estimated to accrue to such County during the remainder of the term of office of Board of Supervisors in such County.

No advance credits of funds will be made to any County, when the unobligated balance in the Local System Bridge Replacement and Rehabilitation Fund is less than One Million Dollars (\$1,000,000.00).

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SURFACE TRANSPORTATION PROGRAM FUNDS:
Funding Formulas, Percentages and Sources

Source:

Surface Transportation Program (STP) Funds are appropriated by the Congress for expenditure on the (designated) Federal Aid Roads. STP funds may also be expended for bridges on any public road. The Transportation Equity Act for the 21st Century provides that up to 15% of STP funds reserved for rural areas may be expended on minor collectors.

Section 65-9-29, Mississippi Code of 1972, as amended provides that Federal Aid Secondary funds allocated to Mississippi shall be expended as follows:

One-half (1/2) of said funds will be matched by the State Highway Department and expended on the Federal Aid Secondary System on the State Highway System.

One-half (1/2) of said funds will be matched by the Counties with State Aid or local funds and expended on Federal Aid Secondary routes on the State Aid System.

Since implementation of the Intermodal Surface Transportation Efficiency Act of 1991 and continued with TEA-21, Transportation Equity Act for 21st Century, there have been no Federal Aid Secondary Funds. The Transportation Commission, following the intent of the above referenced law, allocates a portion of the State's STP funds to the Counties through State Aid.

Allocation:

Section 65-9-29, Mississippi Code of 1972, as amended, provides that each County's share of FAS (STP) Funds made available to the Counties as a whole shall be in accordance with the percentages set out in Section 65-9-3, Mississippi Code of 1972, as amended. These are the same percentages used to distribute State Aid funds.

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FEDERAL BRIDGE REPLACEMENT FUNDS:
Funding Formulas and Sources

Source:

Federal Bridge Replacement and Rehabilitation Funds are appropriated by the Congress for expenditure on and off the Federal Aid Road System.

Bridge Replacement and Rehabilitation Funds are allocated to the Office of State Aid by the Transportation Commission and are distributed to the Counties on an individual project basis subject to the approval of the Federal Highway Administration.

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APPALACHIAN DEVELOPMENT HIGHWAY FUNDS:
Funding Formulas and Sources

Source:

Appalachian Development Highway funds are appropriated by the Congress for improving roads within the Appalachian Region. Funds are designated for roads that will, when improved, better the recreational and economic life of the area. Provisions in the Appalachian Regional Commission (ARC) Code allow each state to utilize \$500,000 plus 5% of funds allocated for local access roads.

Allocations:

The program is under the general administration of the ARC. Local Access Road Project applications are received and approved by the ARC on an individual project basis. After projects are approved, they are administered by the FHWA throughout the planning, design and construction stages under the State's approved plan for administering projects in accordance with 23 USC 106(B) as amended by the TEA-21. State Aid administers approved local access road projects.

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SPECIAL FUNDS AND MDA FUNDS:
Funding Formulas, Percentages and Sources

SPECIAL FUNDS:

Special Federal Funds appropriated by Congress for specific uses, such as Emergency Relief, Defense Access, Special Earmark Project Funds are made available to the County(ies) on an individual project basis, as approved by the Federal Highway Administration.

MDA FUNDS:

The Economic Development Highway Act, Mississippi Code Annotated, Section 65-4-1, et seq. authorizes the Mississippi Development Authority (MDA) to assist political subdivisions with Highway Projects which encourage private companies to engage in high economic benefit projects within their area. These funds are made available to the County(ies) or municipality(ies) on an individual project basis and are administered in accordance with guidelines promulgated by the MDA.

The Office of State Aid is responsible for administering MDA projects except those on the State Highway System.